



**Statement of Daniel McGoldrick
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**Before the
Houston City Council
Committee on
Environmental & Public Health**

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Thank you Chairman Alvarado and Council Members for the opportunity to address a measure that will dramatically improve the health of workers and all the people of Houston, that will make Houston's great hospitality venues healthier and even more enjoyable than they are already, and that will make your constituents very happy.

My name is Danny McGoldrick; I am the Vice President for Research at the Campaign for Tobacco-Free Kids in Washington, DC. I have had the privilege of following the enactment and implementation of smoke-free workplace laws across the country and now even across the Atlantic in Ireland.

My remarks today will focus on the economic impact of smoke-free laws, but any discussion of the economics must be placed in the context of the purpose of this law: to protect the health of the citizens and workers of Houston. Other impacts, if any even occur, should be weighed against the considerable positive impact on public health.

In that vein, let me make a few brief points to put the economics in context.

- First and foremost, secondhand smoke is a proven health hazard that contains over 4000 chemicals and is a proven cause of cancer, heart disease, and many other health problems. On that, there is no debate.**
- Comprehensive smoke-free laws that protect EVERYONE'S right to breathe clean air are the only way to protect everyone from these hazards. Half-baked solutions like ventilation or separate sections do not work and only lead to problems down the road.**

- **Smoke-free laws are implemented with few, if any problems, and improve the health of workers almost immediately.**
- **The laws are immensely popular with voters and become even more popular upon implementation.**
- **For these reasons, smoke-free laws are sweeping the country, with 14 states and dozens of local communities enacting comprehensive smoke-free workplace legislation including restaurants and bars.**

These are very compelling reasons for implementing a comprehensive smoke-free law in Houston, and the fact of the matter, based on all the scientific evidence, is that you can protect the health of the people of Houston with NO adverse economic impact.

Despite loud claims to the contrary, smoke-free laws are not bad for business. No credible economic study has ever concluded otherwise. While there is inevitably a small group of quite vocal opponents of these laws, they are a distinct minority, and even many smokers and restaurant or bar owners initially opposed end up liking smoke-free laws once they experience them and realize that the sky does not fall when they are implemented.

Any question regarding the economic impact of smoke-free laws has been asked and answered – repeatedly. As responsible public policy makers, you are right to inquire about this issue, but as a peer-reviewed article that examined all of the studies conducted on the impact of smoke-free laws concluded:

“All of the best designed studies report no impact or a positive impact of smoke-free restaurant and bar laws on sales or employment. Policymakers can act to protect workers and patrons from the toxins in secondhand smoke confident in rejecting industry claims that there will be an adverse economic impact.”ⁱ

Similarly, the recent U.S. Surgeon General’s Report on secondhand smoke not only documented definitively the health harms from secondhand smoke but also examined numerous studies from states and local communities around the country and concluded:

“Evidence from peer-reviewed studies shows that smoke-free policies and regulations do not have an adverse economic impact on the hospitality industry.”ⁱⁱ

These conclusions sum up what we have known for some time, and which the experience in New York City, El Paso, Massachusetts, and many other locations confirms – that the hospitality industry continues to thrive in jurisdictions that go smoke-free. No credible quantitative study using actual revenue data and controlling for other relevant factors has ever concluded otherwise.

The El Paso Study released by the U.S. Centers for Disease Control and Prevention (CDC) found that El Paso’s comprehensive smoke-free law did not affect restaurant and bar revenue in the year after it took effect in January 2002.ⁱⁱⁱ The CDC and the Texas Department of Health analysis found no statistically significant changes in overall restaurant and bar revenues, bar liquor sales, or restaurant and bar revenue as a percentage of total revenue. The latter finding refutes arguments often made by opponents of smoke-free laws that, even if bar and restaurant revenues grow after such laws take effect, they do not grow as fast as the rest of the economy.

I could go through study after study that all yield the same results, but I think you get the picture, and I have included a fact sheet on this topic with my testimony.

Perhaps the best story is told, however, by those who initially oppose smoke-free workplace laws. In July, the *New York Post*, which harshly attacked the New York City and state-wide smoke-free laws for years began a story with the headline “*CIG BAN NO BAR BURDEN.*”^{iv} The story reported on a study that analyzed more than five years of data surrounding the implementation of the smoke-free laws. It concluded that the laws had no adverse impact on bars and restaurants – that there was “no apparent effect on sales tax receipts for bars or full service restaurants.” The *Post* article went on to say that hospitality industry leaders “did not dispute the report’s finding that the gloom and doom talk was all smoke.”

In contrast, while there was no evidence of a negative economic impact, the New York report found a 50 percent decline in non-smokers’ exposure to toxic secondhand smoke a year after the law went into effect.^v

The growing support of the business community and labor is further evidence that smoke-free laws have no adverse economic impacts. Far from seeing these laws as harmful, the business community is increasingly recognizing that it is tobacco use and secondhand smoke that is harming the health of their employees and hurting their bottom lines by increasing health care costs.

Across the country, state and local chapters of business associations like the Chamber of Commerce are endorsing smoke-free laws. In Texas, the Greater Houston Partnership and local chapter of the AFL-CIO, along with the Beaumont Chamber of Commerce have joined Chambers of Commerce in

Utah, Seattle (WA), Anchorage (AK), Philadelphia (PA), Manchester (NH) and even Louisville (KY) in supporting comprehensive smoke-free laws.

In announcing support for a ballot initiative that passed overwhelmingly, making Washington state smoke-free, Steve Leahy, president of the Greater Seattle Chamber of Commerce said: In the case of [the smoke-free initiative], we can do something to create a truly healthy environment for employees and customers while also helping businesses with their bottom-line.” Leahy added that: “Companies of all sizes are struggling with rising health care costs. Many of the causes are out of their control, but not this one. And as business leaders, it is up to us to do something to help reduce costs and exposure to toxic secondhand smoke.”

Even restaurant associations, including the Houston Restaurant Association, as well as those in New York and Pennsylvania, have come out in support of comprehensive smoke-free laws. This is not surprising given the findings of Tim Zagat, who has surveyed tens of thousands of consumers to create the popular Zagat Guide to restaurants and nightlife. Mr. Zagat noted in a recent edition of *Nation’s Restaurant News*: “... it catches our attention when an issue garners the overwhelming support of the public. And it is clear from our surveys that the vast majority of Americans prefer their restaurants, bars and clubs to be smoke-free. As a result, a growing number of states and communities have passed legislation to make all workplaces, including restaurants and bars, smoke-free. In doing so they have stood on the side of public opinion, as well as sound economic and public health policy.”

I couldn’t say it better myself, so I’ll close simply by saying that the cheapest, fairest, and only effective way to protect the right of all Houstonians to breathe clean air is to pass a comprehensive

smoke-free workplace law that keeps secondhand smoke out of ALL workplaces, including restaurants and bars.

Thank you.

ⁱ Scollo M, et al, "Review of the quality of studies on the economic effects of smoke-free policies on the hospitality industry", Tobacco Control (2003); 12:13-20.

ⁱⁱ U.S. Department of Health and Human Services. The Health Consequences of Involuntary Exposure to Tobacco Smoke: A Report of the Surgeon General. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, Coordinating Center for Health Promotion, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2006. <http://www.surgeongeneral.gov/library/secondhandsmoke/report/>.

ⁱⁱⁱ U.S. Centers for Disease Control and Prevention (CDC), "Impact of a Smoking Ban on Restaurant and Bar Revenues — El Paso, Texas, 2002," Morbidity and Mortality Weekly Report (MMWR) 53(07) (February 27, 2004). <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5307a2.htm>

^{iv} New York Post Online Edition, CIG BAN NO BAR BURDEN: July 25, 2006.

^v "The Health and Economic Impact of New York's Clean Indoor Air Act, July 2006", New York State Department of Health, Corning Tower, Room 710 Albany, NY 12237-0676. http://www.health.state.ny.us/prevention/tobacco_control/docs/ciaa_impact_report.pdf.



THE TOLL OF TOBACCO IN TEXAS

Tobacco Use in Texas

- High school students who smoke: 24.2% [Girls: 22.0% Boys: 26.3%]
- High school males who use smokeless tobacco: 12.6%
- Kids (under 18) who try cigarettes for the first time each year: 112,100
- Additional Kids (under 18) who become new regular, daily smokers each year: 32,200
- Packs of cigarettes bought or smoked by kids in Texas each year: 67.2 million
- Kids exposed to second hand smoke at home: 995,000
- Adults in Texas who smoke: 20.0% [Men: 23.3% Women: 16.9% Pregnant Females: 6.3%]

Nationwide, youth smoking has declined dramatically since the mid-1990s, but that decline appears to have slowed considerably or even stopped in recent years. The 2005 Youth Risk Behavior Survey found that the percentage of high school students reporting that they have smoked cigarettes in the past month increased to 23 percent in 2005 from 21.9 percent in 2003. This increase follows a 40 percent decline between 1997, when rates peaked at 36.4 percent, and 2003. U.S. adult smoking has decreased gradually in the last several decades, and 20.9 percent of U.S. adults (about 45 million) currently smoke.

Deaths in Texas From Smoking

- Adults who die each year in Texas from their own smoking: 24,200
- Annual deaths in state from others' smoking (secondhand smoke & pregnancy smoking): 2,660 to 4,720
- Texas kids who have lost at least one parent to a smoking-caused death: 25,100
- Kids alive in today who will ultimately die from smoking: 503,000 (given current smoking levels)

Smoking kills more people each year than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined -- and thousands more die from spit-tobacco use and other tobacco-related causes (but there currently are no good state-specific estimates of these other tobacco deaths). For every person in Texas who dies from smoking approximately 20 more state residents are suffering from serious smoking-caused disease and disability, or other smoking-caused health problems.

Tobacco-Related Monetary Costs in Texas

- Annual health care expenditures in the State directly caused by tobacco use: \$5.83 billion
- Annual health care expenditures in Texas from secondhand smoke exposure: \$349.1 million
- State Medicaid program's total health expenditures caused by tobacco use: \$1.6 billion
- Citizens' state/federal taxes to cover smoking-caused gov't costs: \$4.6 billion (\$609/household)
- Smoking-caused productivity losses in Texas: \$6.44 billion
- Smoking-caused health costs and productivity losses per pack sold in Texas: \$9.94

Other non-health costs caused by tobacco use include direct residential and commercial property losses from smoking-caused fires (about \$400 million nationwide); the costs of the extra cleaning and maintenance made necessary by tobacco smoke and tobacco-related litter (about \$4+ billion per year for commercial establishments alone); and additional work productivity losses from smoking-caused work absences, on-the-job performance declines, and disability during otherwise productive work lives (in the tens of billions nationwide) [productivity loss amount above is from smoking-death-shortened work lives, alone].

Tobacco Industry Advertising and Other Product Promotion

- Annual tobacco industry marketing expenditures nationwide: \$15.4 billion (\$42+ million per day)
- Estimated portion spent in Texas each year: \$966.2 million

Published research studies have found that kids are three times more sensitive to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure, and that one-third of underage experimentation with smoking is attributable to tobacco company marketing.

Texas Government Policies Affecting The Toll of Tobacco in Texas

- Annual State tobacco prevention spending from tobacco settlement and tax revenues: \$7.0 million [National rank: 40th (with 1 the best)]
- State cigarette tax per pack: \$1.41 [National rank: 13th (average state tax is \$0.961 per pack)]

Campaign for Tobacco-Free Kids / September 1, 2006

Sources

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Related Campaign for Tobacco-Free Kids Fact Sheets, available at <http://www.tobaccofreekids.org> or <http://tobaccofreekids.org/research/factsheets>. See, also, CDC state data highlights at <http://www.cdc.gov/tobacco/datahighlights/index.htm> and <http://www.cdc.gov/tobacco/StateHighlights.htm>.